



General Assembly

January Session, 2019

Proposed Bill No. 87

LCO No. 1383



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:
SEN. LOONEY, 11th Dist.

***AN ACT PROHIBITING DISCRETIONARY CLAUSES IN DISABILITY
INCOME INSURANCE POLICIES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 That title 38a of the general statutes be amended to provide that no
- 2 insurance company, fraternal benefit society, hospital service
- 3 corporation, medical service corporation, health care center or other
- 4 entity that delivers, issues for delivery, renews, amends or continues in
- 5 this state any insurance policy that provides disability income
- 6 protection coverage shall include in such policy a clause that purports
- 7 to reserve sole discretion to such company, society, corporation, center
- 8 or entity to interpret, or provide standards to interpret, such policy in a
- 9 manner that is inconsistent with the laws of this state.

Statement of Purpose:

To prohibit each insurance company, fraternal benefit society, hospital service corporation, medical service corporation, health care center and other entity that delivers, issues for delivery, renews, amends or continues in this state any insurance policy that provides disability income protection coverage from including in such policy a clause that purports to reserve sole discretion to such company, society,

corporation, center or entity to interpret, or provide standards to interpret, such policy in a manner that is inconsistent with the laws of this state.